

# MONTANA LEGISLATIVE HISTORY

Chapter 534 19 82

Bill H 602 S \_\_\_\_\_

Original bill & history C

H. Committee on Bus + Labor

Hearing Date(s) 2/06 ✓ C

Ex. Action 2/07 ✓ C

\_\_\_\_\_ C

\_\_\_\_\_ C

Date Out ~~2/12~~ C

S. Committee on Bus + Industry

Hearing Date(s) 3/13 ✓ C

\_\_\_\_\_ C

\_\_\_\_\_ C

\_\_\_\_\_ C

OUT 3/19 ✓

Did this bill originate in an interim committee? \_\_\_\_\_ Yes X No

Committee \_\_\_\_\_

Report \_\_\_\_\_

## HOUSE FINAL STATUS

CHAPTER NUMBER 242 EFFECTIVE DATE: 10/01/85

HB 601 INTRODUCED BY THOFT, GRADY, COBB  
SMALL IRRIGATION DISTRICTS EXEMPT FROM AUDIT

|      |                                  |    |   |
|------|----------------------------------|----|---|
| 1/31 | INTRODUCED                       |    |   |
| 1/31 | REFERRED TO STATE ADMINISTRATION |    |   |
| 2/13 | HEARING                          |    |   |
| 2/13 | COMMITTEE REPORT-BILL DO PASS    |    |   |
| 2/16 | 2ND READING PASS                 | 96 | 0 |
| 2/18 | 3RD READING PASS                 | 99 | 0 |

|      |                                  |    |   |
|------|----------------------------------|----|---|
|      | TRANSMITTED TO SENATE            |    |   |
| 2/19 | REFERRED TO STATE ADMINISTRATION |    |   |
| 3/19 | HEARING                          |    |   |
| 3/19 | COMMITTEE REPORT-BILL CONCURRED  |    |   |
| 3/22 | 2ND READING CONCURRED AS AMENDED | 48 | 0 |
| 3/25 | 3RD READING CONCURRED            | 49 | 0 |

|      |                                   |    |   |
|------|-----------------------------------|----|---|
|      | RETURNED TO HOUSE WITH AMENDMENTS |    |   |
| 4/09 | 2ND READING AMENDMENTS CONCURRED  | 96 | 0 |
| 4/09 | ON MOTION RULES SUSPENDED         |    |   |
|      | PLACED ON 3RD READING THIS DAY    |    |   |
| 4/09 | 3RD READING AMENDMENTS CONCURRED  | 95 | 0 |
| 4/15 | SIGNED BY SPEAKER                 |    |   |
| 4/15 | SIGNED BY PRESIDENT               |    |   |

|      |                                    |         |  |
|------|------------------------------------|---------|--|
| 4/15 | TRANSMITTED TO GOVERNOR            |         |  |
| 4/19 | SIGNED BY GOVERNOR                 |         |  |
|      | CHAPTER NUMBER 565 EFFECTIVE DATE: | 4/19/85 |  |

HB 602 INTRODUCED BY FRITZ, SCHYE, ET AL.  
ARTIST-ART DEALER RELATIONSHIP

|      |                                       |    |   |
|------|---------------------------------------|----|---|
| 1/31 | INTRODUCED                            |    |   |
| 1/31 | REFERRED TO BUSINESS & LABOR          |    |   |
| 2/06 | HEARING                               |    |   |
| 2/08 | COMMITTEE REPORT-BILL PASS AS AMENDED |    |   |
| 2/09 | 2ND READING PASS AS AMENDED           | 95 | 1 |
| 2/12 | 3RD READING PASS                      | 97 | 0 |

|      |                                       |    |   |
|------|---------------------------------------|----|---|
|      | TRANSMITTED TO SENATE                 |    |   |
| 2/13 | REFERRED TO BUSINESS & INDUSTRY       |    |   |
| 3/13 | HEARING                               |    |   |
| 3/19 | COMM REPORT-BILL CONCURRED AS AMENDED |    |   |
| 3/22 | 2ND READING CONCURRED                 | 48 | 0 |
| 3/25 | 3RD READING CONCURRED                 | 49 | 0 |

|      |                                   |    |   |
|------|-----------------------------------|----|---|
|      | RETURNED TO HOUSE WITH AMENDMENTS |    |   |
| 4/09 | 2ND READING AMENDMENTS CONCURRED  | 96 | 0 |
| 4/09 | ON MOTION RULES SUSPENDED         |    |   |
|      | PLACED ON 3RD READING THIS DAY    |    |   |
| 4/09 | 3RD READING AMENDMENTS CONCURRED  | 94 | 2 |
| 4/15 | SIGNED BY SPEAKER                 |    |   |
| 4/15 | SIGNED BY PRESIDENT               |    |   |

|      |                                    |          |  |
|------|------------------------------------|----------|--|
| 4/15 | TRANSMITTED TO GOVERNOR            |          |  |
| 4/18 | SIGNED BY GOVERNOR                 |          |  |
|      | CHAPTER NUMBER 534 EFFECTIVE DATE: | 10/01/85 |  |

1 HOUSE BILL NO. 602  
 2 INTRODUCED BY Fritz Leh Eck Loy  
 3 Blaylock B.S. Brown  
 4 A BILL FOR AN ACT ENTITLED: "AN ACT DEFINING THE  
 5 RELATIONSHIP BETWEEN AN ARTIST AND AN ART DEALER; PROVIDING  
 6 THAT A CONSIGNMENT RELATIONSHIP IS CREATED; PROVIDING THAT  
 7 THE DEALER IS A TRUSTEE AND HOLDS THE ARTIST'S WORKS AND  
 8 FUNDS IN TRUST; PROVIDING FOR NOTICE OF SALES TO THE  
 9 ARTIST."

10

11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

12 Section 1. Definitions. As used in [this act], unless  
 13 the context requires otherwise, the following definitions  
 14 apply:

15 (1) "Art dealer" means a person engaged in the  
 16 business of selling works of fine art, other than a person  
 17 exclusively engaged in the business of selling goods at  
 18 public auction.

19 (2) "Artist" means a person who creates a work of fine  
 20 art or, if the person is deceased, the person's heir,  
 21 devisee, or personal representative.

22 (3) "Consignment" means that no title to, estate in,  
 23 or right to possession of fine art superior to that of the  
 24 consignor vests in the consignee, notwithstanding the  
 25 consignee's power or authority to transfer and convey to a

1 third person all of the right, title, and interest of the  
 2 consignor in and to such fine art.

3 (4) "Fine art" means a painting, sculpture, drawing,  
 4 work of graphic art (including an etching, lithograph,  
 5 offset print, textiles, silk screen, or a work of graphic  
 6 art of like nature), a work of calligraphy, or a work in  
 7 mixed media (including a collage, assemblage, or any  
 8 combination of the art media mentioned in this subsection).

9 (5) "Person" means an individual, partnership,  
 10 corporation, association, or other group, however organized.

11 Section 2. Artist-art dealer relationship.  
 12 Notwithstanding any custom, practice, or usage of the trade  
 13 to the contrary, whenever an artist delivers or causes to be  
 14 delivered a work of fine art of the artist's own creation to  
 15 an art dealer in this state for the purpose of exhibition or  
 16 sale, or both, on a commission, fee, or other basis of  
 17 compensation, the delivery to and acceptance of such work of  
 18 fine art by the dealer constitutes a consignment, unless the  
 19 delivery to the art dealer is pursuant to an outright sale  
 20 for which the artist receives upon delivery or has received  
 21 prior to delivery full compensation for the work of fine  
 22 art.

23 Section 3. Agency relationship -- trust property. A  
 24 consignment of a work of fine art results in the following:

25 (1) The art dealer, after delivery of the work of fine

1 art, is an agent of the artist for the purpose of sale or  
2 exhibition of the consigned work of fine art within the  
3 state of Montana.

4 (2) The work of fine art constitutes property held in  
5 trust by the consignee for the benefit of the consignor and  
6 is not subject to claim by a creditor of the consignee.

7 (3) The consignee is responsible for the loss of or  
8 damage to the work of fine art.

9 (4) The proceeds from the sale of the work of fine art  
10 constitute funds held in trust by the consignee for the  
11 benefit of the consignor. The proceeds must first be applied  
12 to pay any balance due to the consignor, unless the  
13 consignor expressly agrees otherwise in writing.

14 Section 4. Subsequent sale -- payment to consignor. A  
15 work of fine art received as a consignment remains trust  
16 property, notwithstanding the subsequent purchase thereof by  
17 the consignee directly or indirectly for the consignee's own  
18 account, until the price is paid in full to the consignor.  
19 If the work is resold to a bona fide purchaser before the  
20 consignor has been paid in full, the proceeds of the resale  
21 received by the consignee constitute funds held in trust for  
22 the benefit of the consignor to the extent necessary to pay  
23 any balance due to the consignor and the trusteeship  
24 continues until the fiduciary obligation of the consignee  
25 with respect to the transaction is discharged in full.

1 Section 5. Waiver void -- exemption from UCC. (1) Any  
2 provision of a contract or agreement by which the consignor  
3 waives any provision of [this act] is void.

4 (2) [This act] is not subject to the provisions of  
5 Title 30, chapters 1 through 9.

6 Section 6. Tracking provisions. An art dealer selling  
7 a work of fine art must provide the artist with the name and  
8 address of the purchaser of the work of fine art within 30  
9 days after the sale.

10 Section 7. Saving clause. This act does not apply to a  
11 written contract executed prior to October 1, 1985, unless:

- 12 (1) the parties agree that this act will apply; or  
13 (2) the contract is extended or renewed after the  
14 effective date of this act.

-End-

MINUTES OF THE MEETING  
BUSINESS AND LABOR COMMITTEE  
MONTANA STATE  
HOUSE OF REPRESENTATIVES

February 6, 1985

The meeting of the Business and Labor Committee was called to order to Chairman Bob Pavlovich on February 6, 1985 at 8:00 a.m. in Room 312-2 of the State Capitol.

ROLL CALL: All members were present.

HOUSE BILL 602: Hearing commenced on House Bill 602. Representative Harry Fritz, District #56, sponsor of the bill, stated that this bill is new legislation defining the relationship between artist and art dealer, creating a consignment relationship and providing that the dealer is a trustee and holds the artist's works and funds in trust and requiring notice to the artist of sales. Representative Fritz explained the proposed amendments that are attached hereto as Exhibit 1.

Proponent Julie Cook, representing Montana Art's Council, stated that this will clarify the relationship between artist and gallery and allow for better practices in the industry.

Proponent Janalyn Edmondson, attorney, presented Exhibits 2, 3, and 4, which she read to the committee. Her testimony and letters from Barbara M. Hand, a Missoula weaver, and Joan Jonkel, an attorney in Missoula, are attached.

Proponent Marty Baker, explained that in the past there have been problems with dealers in and out of state. House Bill 602 will give Montana artists leverage in dealing with out-of-state dealers.

Proponent Shirley Cleary, a visual artist, stated that when a piece of art is sold, the money belongs to the artist and not the dealer.

Proponent Brenda Schye, representing the Montana Arts Advocacy, offered her support of the bill and of the amendments proposed by Representative Fritz.

In closing, Representative Fritz added that this bill will grant law to our artistic community who have gained fame through their work. Representative Fritz also presented Exhibit 5, which is attached hereto.

Representative Brown asked Representative Fritz why photography

is not included in the bill. Representative Fritz explained that the amendments do cover photography.

There being no further discussion by proponents or opponents, all were excused by the vice-chairman and the hearing on House Bill 602 was closed.

HOUSE BILL 422: Hearing commenced on House Bill 422. Representative Bernie Swift, District #34, sponsor of the bill, at the request of the Board of Water Well Contractors, distributed to committee members Exhibit 6 and 7 attached hereto. Exhibit 6 gives an explanation of the bill and Exhibit 7 is a Statement of Intent. This bill raises from \$20 to \$50 per day, plus travel expenses, the compensation of members of the Board of Water Well Contractors. The bill deletes from grounds for suspension or revocation of a license "gross negligence and incompetence" but adds as grounds "unprofessional conduct as defined by board rule". Repealed is section 37-43-304, MCA, which provides for a temporary water well contractor's license. The act is effective July 1, 1985, added Representative Swift.

Representative Schultz raised a question regarding "board rule" on page 3, line 21 of the bill and Representative Kadas asked why an effective date of July.

There being no proponents or opponents to the bill, Representative Swift was excused by the vice-chairman and the hearing on House Bill 422 was closed.

HOUSE BILL 402: Hearing commenced on House Bill 402. Representative Norm Wallin, District #78, sponsor of the bill, stated that this bill would establish guidelines for the termination and renewal of table wine distribution agreements. It recognizes a wineries right to terminate a wholesaler's authority to distribute its wines, provided the cancellation is carried out in a fair and orderly manner, added Representative Wallin.

Proponents Ardelle Watkins, Gusto Distributing, Great Falls, Peter Bronken, Bronken's Company, Bozeman, Tei Nash, Earl's Distributing Company, Missoula, Bill McClarty, Fun Beverage Company, Kalispell, and Roger Tippy, Montana Beer and Wine Wholesaler's Association, Helena, presented testimony as shown on Exhibit 8, attached hereto.

Opponent Phil Strobe, staff attorney for the Wine Institute, stated that House Bill 402 is not of advantage to wineries. Mr. Strobe explained that "statute of frauds", calls for a contract to be in writing to be enforceable and all other

must be in existence for one year or longer to be valid. There is no benefit for a winery to cancel a contract for non-payment, it is designed for the benefit of the wholesalers. Mr. Strobe added that if an individual does not want to do business with a winery, he shouldn't have to.

Opponent Syd Abrams, from Seattle, representing the wine institute, stated that should House Bill 402 pass, it should then be fair for a winery to sell directly to the consumer. A distributor can buy on credit and all others must pay within 7 days by law. A small winery may choose not to do business in the state of Montana, should House Bill 402 pass.

Representative Glaser questioned Mr. Strobe regarding Section 1 of the bill. Mr. Strobe stated that it provides that after 24 months a wholesaler can cancel a contract within 60 days by written notice. If the bills are not being paid, a winery would have to continue to ship to the wholesaler. The bill does not provide for cancellation due to non-payment.

Representative Schultz asked Mr. Abrams if there is a resistance of small wineries to sign contracts. Mr. Abrams explained that they would prefer the agreement be in writing.

Representative Bachini asked Mr. Strobe if a provision for non-payment and crop failure were amended into the bill, would it help the institute's position. Mr. Strobe added that it would and said that penalties are for the benefit of the wholesaler.

Representative Kadas asked Mr. Tippy if they want the state to write the contract. Mr. Tippy answered that they are asking the state to put in the procedures for cancelling a contract.

Representative Simon asked Mr. Abrams if this bill is passed, would smaller wineries be discouraged from doing business in the state. Mr. Abrams stated that they would, and cannot jeopardize a lawsuit.

In closing, Representative Wallin stated that the wholesalers need protection and deserve adequate protection. The comment made by Mr. Strobe regarding supplying wine if the bills are not being paid, is not reality, added Representative Wallin.

There being no further discussion by proponents or opponents,

all were excused by the vice-chairman and the hearing on House Bill 402 was closed.

HOUSE BILL 236: Hearing commenced on House Bill 236. Representative Bob Pavlovich, District #70, sponsor of the bill, stated that by a supreme court decision, the "Draw 80" poker machine is not included in the definition of "card game". The revenue generated from these machines stays in the county. The main-street merchants are being asked to pay the 56 million dollar deficit in the unemployment trust fund and are willing to pay, but should be given a chance to make a dollar, added Representative Pavlovich. Exhibits 9, 10, and 11 were distributed to the committee.

Proponent Don Peoples, Chief Executive, Butte-Silver Bow County, stated that the revenue line must be looked at seriously. The loss of approximately \$139,000 in revenue means running or not running a bus system in Butte. Local government needs every cent that can be generated. The poker machines produce badly needed revenue, explained Mr. Peoples.

Proponent Representative Red Menahan, representing Deer Lodge County, explained that they have suffered a 29% decrease in their tax base. Deer Lodge County has the highest property taxes in the state and police and fire protection are needed. We should help people on the local level and have faith in our city fathers, stressed Representative Menahan.

Proponent Representative Dave Brown, District #72, stated that poker machines have been enjoyed all over the state. In many instances these machines represent the margin on which businesses operate and can mean keeping some in business.

Proponent Neal Kirkness, a Billings City Council Member, submitted written testimony which is attached hereto as Exhibit 12.

Proponent Walt Ryseck, testifying as a taxpayer, stated that these machines provide amusement to many. In Billings there were 750 units in 52 taverns. The revenue generated from these machines go to protection and with funds from the federal government becoming less and limited, we need all that we can get, added Mr. Ryseck.

Proponent Ernie Jassisski, provided testimony from Mr. Roger W. Young, President, Great Falls Chamber of Commerce, which is attached hereto as Exhibit 13.



Proponent Senator Dick Manning, District #18, stated that several Canadians expressed their feeling for the need of poker machines. These machines attract the Canadian tourist, which in turn also helps our economy, added Senator Manning.

Proponent Donald W. Larson, representing the Montana Tavern Association, explained that in our depressed economy, additional revenue is needed. House Bill 236 would afford local government and Montana tavern owners the opportunity to work together.

Proponents Earl Kelley and Phil Strobe offered their support of House Bill 236.

Approximately 138 proponents to the bill, offered their support by stating their name, occupation, and where they were from. The visitors' register attached hereto, reflects all those individuals who testified.

Opponent Cathy Campbell, representing the Montana Association of Churches, submitted written testimony which is attached hereto as Exhibit 14. Ms. Campbell also presented Exhibit 15 to be placed on record.

In closing, Representative Pavlovich stated that an approximate loss of \$216,000 has been felt by the loss of the poker machine and that such funds must come out of the general fund. With respect for the church, Representative Pavlovich explained that the vast majority of proponents are church going people of all denominations who support their church, and also support House Bill 236. Slot machines have a handle and these do not. Representative Pavlovich asked the committee to give the main-street businessmen consideration.

There being no further discussion by proponents and opponents, all were excused and the hearing was closed.

ACTION ON HOUSE BILL 602: Representative Driscoll made a motion that House Bill 602 DO PASS. Representative Driscoll then moved the amendments. Paul Verdon, staff researcher, explained that work was needed on the amendments. Representative Driscoll withdrew his motion.

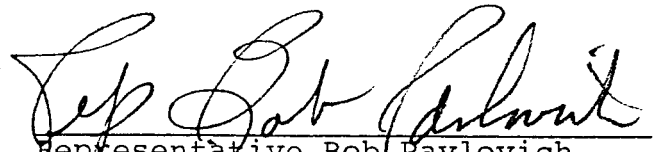
ACTION ON HOUSE BILL 422: Representative Schultz raised questions regarding the recourse of an individual that was not satisfied with the work of a water well contractor. Representative Ellerd moved that House Bill 422 DO PASS. Representative Schultz questioned the definition of "unprofessional conduct". Representative Glaser suggested that "gross

negligence as defined by the board or incompetence as defined by the board", be put back into the bill. Representative Ellerd withdrew his motion and made a substitute motion that House Bill 422 BE TABLED. House Bill 422 is TABLED by unanimous vote.

ACTION ON HOUSE BILL 402: Representative Wallin moved that House Bill 402 DO PASS. Questions were asked by Representatives Brandewie, Thomas, Bachini, and Glaser as to the requirements for cancellation and the time periods presented in the bill. Representative Simon made a substitute motion that House Bill 402 BE TABLED. Representative Hart seconded. House Bill 402 is TABLED with Representatives Ellerd, Brandewie, Glaser, Jones, McCormick, and Wallin voting no.

ACTION ON HOUSE BILL 236: Representative Kitselman made a motion that House Bill 236 be referred WITHOUT RECOMMENDATION. Representative McCormick made a substitute motion that House Bill 236 DO PASS. A roll call vote resulted in 10 members voting yes, 9 voting no and one abstaining. House Bill 236 PASSED.

ADJOURN: There being no further business before the committee, the meeting was adjourned at 11:00 a.m.

  
Representative Bob Pavlovich  
Chairman

49th Legislature

LC 1488/01

HOUSE BILL NO. 602 INTRODUCED BY Fritz [Schye, Eck, Loy, Blaylock, Brown]

A BILL FOR AN ACT ENTITLED: "AN ACT DEFINING THE RELATIONSHIP BETWEEN AN ARTIST AND AN ART DEALER; PROVIDING THAT A CONSIGNMENT RELATIONSHIP IS CREATED; PROVIDING THAT THE DEALER IS A TRUSTEE AND HOLDS THE ARTIST'S WORKS AND FUNDS IN TRUST; PROVIDING FOR NOTICE OF SALES TO THE ARTIST."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Definitions. As used in [this act], unless the context requires otherwise, the following definitions apply:

{1} "Art Dealer" means a person engaged in the business of selling works of fine art, other than a person exclusively engaged in the business of selling goods at public auction.

{2} "Artist" means a person who creates a work of fine art or, if the person is deceased, the person's heir, devisee, or personal representative.

{3} "Consignment" means that no title to, estate in, or right to possession of fine art superior to that of the consignor vests in the consignee, notwithstanding the consignee's power or authority to transfer and convey to a third person all of the right, title, and interest of the consignor in and to such fine art.

{4} "Fine art" means a painting, sculpture, drawing, work of graphic art (including an etching, lithograph, signed limited edition offset print, textiles, silk screen, or a work of graphic art of like nature), textiles, a work of calligraphy, photographs, original works in ceramics, wood, metals, glass, plastic, wax, stone, or leather, or a work in mixed media (including a collage, assemblage, or any combination of the art media mentioned in this subsection).

{5} "Person" means an individual, partnership, corporation, association, or other group, however organized.

Section 2. Artist-art dealer relationship. Notwithstanding any custom, practice, or usage of the trade to the contrary, whenever an artist delivers or causes to be delivered a work of fine art of the artist's own creation to an art dealer in this state for the purpose of exhibition or sale, or both, on a commission, fee, or other basis of compensation, the delivery to and acceptance of such work of fine art by the dealer constitutes a consignment, unless the delivery to the art dealer is pursuant to an outright sale for which the artist receives upon delivery or has received prior to delivery full compensation for the work of fine art.

Section 3. Agency relationship — trust property. A consignment of a work of fine art results in the following:

{1} The art dealer, after delivery of the work of fine art, is an agent of the artist for the purpose of sale or exhibition of the consigned work of fine art within or outside of the state of Montana. This relationship must be defined in writing and renewed at least every three years by both the art dealer and the artist. It is the responsibility of the artist to ensure that the work of art is clearly able to be identified by securely attaching identifying marking to or clearly signing the work of art.

1           {2} The work of fine art constitutes property held in trust by  
2 the consignee for the benefit of the consignor and is not subject to claim  
3 by a creditor of the consignee.

4           {3} The consignee is responsible for the loss of or damage to  
5 the work of fine art while in possession of or on premises of the  
6 consignee.

7           {4} The proceeds from the sale of the work of fine art  
8 constitute funds held in trust by the consignee for the benefit of the  
9 consignor. The proceeds must first be applied to pay any balance due to  
10 the consignor, unless the consignor expressly agrees otherwise in writing.  
11

12           Section 4. Subsequent sale — payment to consignor. A work of fine  
13 art received as consignment remains trust property, notwithstanding the  
14 subsequent purchase thereof by the consignee directly or indirectly for the  
15 consignee's own account, until the price is paid in full to the consignor.  
16 If the work is resold to a bona fide purchaser before the consignor has  
17 been paid in full, the proceeds of the resale received by the consignee  
18 constitute funds held in trust for the benefit of the consignor to the  
19 extent necessary to pay any balance due to the consignor and the  
20 trusteeship continues until the fiduciary obligation of the consignee with  
21 respect to the transaction is discharged in full.  
22

23           Section 5. Waiver void — exemption from UCC.

24           {1} Any provision of a contract or agreement by which the  
25 consignor waives any provision of [this act] is void.

26           {2} [This act] is not subject to the provisions of Title 320,  
27 chapters 1 through 9.  
28

29           Section 6. Tracking provisions. An art dealer selling a work of fine  
30 art must provide, upon request from the artist in writing upon consignment  
31 of the work, the artist with the name and address of the purchaser of the  
32 work of fine art with purchase price of \$200.00 or greater within 30 days  
33 after the sale.  
34

35           Section 7. Saving clause. This act does not apply to a written  
36 contract executed prior to October 1, 1985, unless:

37           {1} the parties agree that this act will apply; or

38           {2} the contract is extended or renewed after the effective date  
39 of [this act.]  
40  
41

-END-

2/6/85

Submitted by: Janalyn S.  
Edmondson

JANALYN S. EDMONDSON  
Attorney at Law  
101 E. Broadway Room 414  
Missoula, Montana 59802  
(406) 721-5855

February 5, 1985

To: House Business and Labor Committee

Re: H.B. 602, Artist-Art Dealer Consignment Law

The proposed artist-gallery consignment law is a measure much needed for the protection of Montana's many working artists. The artist-gallery relationship is only rarely formalized by contract in this state, rather the usual practice is that most artists and their dealers operate on oral/handshake agreements, if any, as to their rights and responsibilities. Although many artists and galleries maintain good working relationships this way, some still do get into difficulties. Without protective legislation or a written contract, the artist is without much real recourse when problems arise.

This bill defines and regulates the consignment relationship, providing the basic protections necessary to prevent misuse of the proceeds of art at the hands of dealers, allocate responsibility for loss or damage, prevent seizure by gallery creditors, and allow artists to keep track of the ownership of their artworks.

The responsibilities outlined in the bill consist of no more than good business practices for the operation of gallery consignments. As art dealers are in the best position to protect against loss or damage during the period of consignment, the risk of such loss is allocated to them. What this really calls for is proper business insurance coverage by galleries, which should be carried in any event.

The fiduciary responsibility of galleries to their consignor-artists is carefully spelled out as a trust relationship. The requirement of timely payment of proceeds to the artists should serve to discourage dealers from using the funds for their own purposes, and if timely payments are not made, the artist has a remedy at law to pursue in addition to a cause of action for breach of contract, if indeed such a contract should exist between the parties. Where there is no written contract, this would provide the only sure protection.

The exemption of this act from the provisions of the Uniform Commercial Code is important to protect consignor-artists from seizure of their works by creditors of the galleries, because under Montana's commercial law as it now stands, artists must file financing statements on all consigned artworks in order to gain protection against gallery creditors. Many artists do not

even know of this practice, and for those that do, it is a burdensome requirement. Under this proposed act, artists would be automatically protected against third party seizure of their consigned artworks.

The provision voiding any waiver is necessary to prevent an artist from signing away the protections of the act, which could be very likely considering that most artists have much less bargaining power than the dealers in negotiating the terms of their agreements. Voiding waivers then assures protection for all under the act.

Finally, the provision requiring galleries to provide artists with the names and addresses of purchasers of their artworks is important so that artists may keep full and accurate records of the ownership of their artworks as part of the history of their work, and for later access for retrospective showings of their work. Without such a provision in the law, many gallery owners are reluctant to provide artists with such information.

The arts are very important to the quality of life in Montana, and we should be proud of the wealth of creativity at work within our state. H.B. 602 is an important first step in providing artists with important protections so that they may continue their valuable contributions to the cultural life and the economy of Montana.

  
JANALYN S. EDMONDSON  
v

Exhibit 2

HB 602

2/6/85

Submitted by: Janalyn  
Edmondson

TESTIMONY

HOUSE BUSINESS AND LABOR COMMITTEE

Re: Art Consignment Legislation. H B 602

Thank you for the privilege for testifying on this important issue. I am a professional, full time artist-weaver residing in Missoula. I make 95% of my income from within the State. For the past 8 years I have had constant dealings with gallery owners/directors either with the consignment of my work or mounting of exhibitions.

For the most part I have good, positive experiences with Montana art galleries. However, it only takes one bad experience to quickly point out the fact that artists in Montana have very few protections against poor business practices on the part of gallery owners.

For example in December of 1983 I had an exhibit in a Montana gallery where I sold \$1800 worth of hand woven rugs and wall hangings. The works sold represented three months of labor plus materials on my part. Naturally I expected to be paid the 60% of sales as was agreed to in our consignment. To make a long story short, I was finally paid in full in August of 1984, 8 months after the sale of my work. The gallery owner had used both her commission and my earnings from the sale for her operating expenses.

This legislation will protect the individual artist from this type of problem. I call your attention to the laws now extant in eight other states which accomplish this end. Thank you.

February 6, 1985

*Barbara M. Hand*

barbara hand, weaver  
304 south 2nd west  
missoula, mt 59801

by  
H  
A  
N  
D

Exhibit 4  
HB 602  
2/6/85  
Submitted by: Janalyn  
Edmondson

JOAN JONKEL  
Attorney at Law  
P.O. Box 8687  
Missoula, Montana 59807  
721-1835

February 5, 1985

Testimony in Support of House Bill 602

The Arts Task Force of the National Conference of State Legislatures recommended in its policy resolution on Public Support for the Arts that legislation on artist-art dealer relations be enacted by state legislatures. Such legislation provides protection to artists who give works of art to art dealers on consignment to sell or to exhibit by making the dealer a trustee in holding the art and the funds from sales, and by assisting artists in collecting the money to which they are entitled. Last year at a conference in New York of Volunteer Lawyers for the Arts, a national organization of volunteer attorneys committed to assisting the arts community, I learned that Volunteer Lawyers for the Arts also considers enactment of legislation such as House Bill 602 essential to the legal protection of artists.

Montana should definitely join the group of states which has enacted such enlightened legislation. This law gives much needed help to artists, and yet does not adversely affect

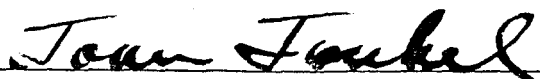


reputable dealers. Working artists constantly experience problems in getting dealers to account accurately for work consigned to them and for proceeds from the sale of the artist's work. Art dealers experiencing financial difficulties may not inform artists of the sale of their works; the dealer will operate on the capital from the sale, and it may be months before the artist gets his or her money. Unless they have been sophisticated enough to comply with the Uniform Commercial Code filing requirements, artists may also lose their art or sale proceeds to dealers' creditors.

Without the benefit of this proposed legislation, artists are reluctant to take legal action against dealers. The trust and agency relationship created by the law will greatly increase the likelihood that dealers will make notice and payment to artists.

The arts are an essential element of the quality of life in this state, and a source of enjoyment for all. The Montana Legislature should give greater recognition to the creativity of artists and protect artists' rights through this most appropriate legislation.

Thank you for your consideration.

  
Joan Jonkel

# Missoula Museum of the Arts

February 5, 1985

Representative Harry Fritz  
c/o State Capitol Station  
Helena, MT 59620

Dear Congressman Fritz:

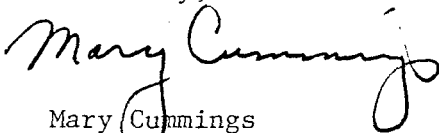
I have discussed with several Missoula area artists some of the provisions of your bill affecting artists and galleries, and would like to express our support.

It is both ethical and good business practice to expect that galleries accepting art work on consignment pay artist commissions in a reasonable length of time. This would normally be on a monthly or quarterly basis. Since artists sometimes have difficulties collecting, it may be necessary to require by law that an escrow account be set up for these proceeds or some other method be taken to ensure that artists are paid.

It is very helpful for artists to know who has purchased their work so that they may contact collectors in coming years to borrow for exhibitions in museums. It is also helpful for museums to be aware of holdings of private collectors. Generally if someone has paid a sizeable amount of money for an art work, they have an interest in receiving mailings of future showings by that artist and may wish to add more pieces to their collection. In my opinion, when \$250 or more is involved, it would be mutually advantageous to require galleries to report the name of the purchaser to the artist (unless some privacy law would prohibit this).

The Museum's mission is to serve the public in our region. An important part of that public is the artists who make art for the rest of the community to enjoy. It is difficult enough to "make it" as an artist; I would hope your bill passes and wish to thank you for your sponsorship.

Sincerely,



Mary Cummings  
Director  
Missoula Museum of the Arts

MINUTES OF THE MEETING  
BUSINESS AND LABOR COMMITTEE  
MONTANA STATE  
HOUSE OF REPRESENTATIVES

February 7, 1985

The meeting of the Business and Labor Committee was called to order by Chairman Bob Pavlovich on February 7, 1985 at 8:00 a.m. in Room 312-2 of the State Capitol.

ROLL CALL: All members were present with the exception of Representative Fred Thomas, who was excused by the chairman.

HOUSE BILL 453: Hearing commenced on House Bill 453. Representative Dorothy Bradley, District #79, sponsor of the bill, stated that this bill amends the provisions of the law on total disability workers' compensation benefits. Temporary total disability is redefined to terminate when a vocational rehabilitation certification is made. The bill also provides that compensation for loss of certain body members, or of hearing or vision, or for disfigurement, the total disability benefits must be paid concurrently.

Proponent Monte D. Beck, an attorney who represented Matt Grimshaw in the Matthew Grimshaw case, stated that this statute was enacted in 1915. A person may receive benefits until such time as they are re-trained or employable. Temporary totally disabled should apply rather than permanent totally disabled.

Jan VanRiper, representing the Division of Workers' Compensation offered information only. House Bill 453 would bring the statute in line with case law. Indemnity benefits can be received only if an individual is permanent partially disabled nor permanent totally disabled. Problems of overpayment may surface with respect to House Bill 453. Ms. VanRiper suggested to the committee that on page 6, line 8 of the bill, the word "temporary" be inserted, to allow for temporary totally disabled.

There being no further discussion by proponents or opponents, all were excused by the chairman and the hearing on House Bill 453 was closed.

HOUSE BILL 648: Hearing commenced on House Bill 648. Representative Mike Kadas, District #55, sponsor of the bill, stated that this bill would create a new class of restaurant license for on-premises consumption but not sale of beer and wine. The annual license fee is \$100. The bill preserves

the prohibition against bottle clubs. A restaurant that presently does not have a beer and wine license, could allow a person to bring in beer and wine to be enjoyed with their meal provided a meal is purchased. House Bill 648 would help our small restaurants that cannot afford a license. A corkage fee could be charged by each restaurant with said fee being set by the owner.

Proponent Matthew Cohn, a Helena restaurant owner, explained that the cost to get a beer and wine license would be approximately \$40,000, which is not practical or feasible for his small restaurant that employees 14 people and has a seating capacity of 40.

Proponent Adam McLane, stated that House Bill 648 would accomplish desirable goals and an increase in consumption should not be present. .

Proponent Jerry Metcalf, stated that in the Kalispell area a liquor license is priced at approximately \$400,000. House Bill 648 could be implemented without any cost to the state.

Proponent Roland D. Pratt, Executive Director, Montana Restaurant Association, offered his support of House Bill 648.

Opponent Bob Durkee, representing the Montana Tavern Association, stated that in 1982, Initiative 94 was defeated by 66% of the voters. A definition of meal or of a bonafide restaurant is not present in the bill. Mr. Durkee suggested to the committee that the bottle club section be repealed.

In closing, Representative Kadas stated that this is not a bottle club bill and he does not want to encourage bottle clubs. Alcohol would still be purchased in the regular stores and no impact on the quota would be felt.

Representative Pavlovich asked Representative Kadas, in a 24 hour restaurant, how drinking after 2:00 a.m. would be policed. Representative Kadas explained that the restaurant could jeopardize their license if drinking occurred after 2:00 a.m.

Representative Brown asked Representative Kadas if identification cards would be checked, Representative Kadas explained that yes, it would be the responsibility of the restaurant owner to prevent minors from drinking.

Representative Simon asked Representative Kadas if a person could drink as long as his companion had ordered a meal. Representative Kadas stated that the intention is that each person must order a meal in order to drink.

There being no further discussion by proponents or opponents, all were excused by the chairman and the hearing on House Bill 648 was closed.

HOUSE BILL 391: Hearing commenced on House Bill 391. Representative Hal Harper, District #44, sponsor of the bill, stated that this bill allows a public employer to deduct a representation fee from the pay of an employee who is not a member of an exclusive bargaining representative. The bill is effective on passage and approval.

Proponent Phil Campbell, representing the Montana Education Association, stated that this would allow an employer to deduct a representation fee without the consent of the employee, if stated in the contract. If an employee refuses to pay, the employer is faced with dismissing the employee or being charged by the union for not complying. Exhibit 1 was presented by Mr. Campbell, showing 19 statutes in 13 states where this exists.

Proponent Nadiean Jensen, representing AFSCME and Tom Schneider, representing the Montana Public Employee Association, offered their support.

Opponent Wayne Buchanan, representing the Montana School Board Association, stated that agency shop is a benefit to a union, it increases the number of members, controls the rank and file and would serve as a balancing tool. The "agency shop" fee should be bargainable and not be removed or mandatory as House Bill 391 makes it. On page 2, line 1, the word "may" should be substituted for "shall". House Bill 391 changes the rules for all collective bargaining that is now in effect, added Mr. Buchanan.

Opponent Bill Verwolf, representing the City of Helena, stated that the payment of dues is between the union and the employee and an employer should not get involved.

Opponent Sue Robdy, representing the Montana University System, explained that the threat of being terminated usually will solve the problem. She supports the amendment proposed by Mr. Buchanan and does see that legal and constitutional problems may occur. Ms. Robdy presented Exhibit 2 which is attached hereto.

In closing, Representative Harper stated that the deduction would be made in whatever manner was agreed upon. Once a contract is signed, an individual should be held to the agreement. House Bill 391 would benefit the employee, employer, and the collective bargaining unit.

There being no further discussion by proponents or opponents, all were excused by the chairman and the hearing on House Bill 391 was closed.

HOUSE BILL 387: Hearing commenced on House Bill 387. Representative Kelly Addy, District #94, sponsor of the bill, stated that this bill authorizes the Commissioner of Labor and Industry to make rules to implement Title 18, Chapter 2, page 4, which deals with special conditions of labor and includes sections on standard prevailing rate of wages, preference for Montana labor, fringe benefits, forfeiture by contractor for failure to pay prevailing wages, penalties, notice, bid specifications and submission of payroll records.

Proponent Dave Wanzenried, Commissioner, Department of Labor and Industry, stated that this would clarify the authority that is presently granted by statute. It would describe in detail how the process is to work and clarify what procedure is to be followed, added Mr. Wanzenried.

There being no further discussion by proponents or opponents, all were excused by the chairman and the hearing on House Bill 387 was closed.

HOUSE BILL 437: Hearing commenced on House Bill 437. Representative Kelly Addy, District #94, sponsor of the bill, stated that this bill changes from 12% to 8% the annual allowable increase in total annual revenues that a municipality may realize from utility rate raises. Exhibits 3, 4, and 5 were distributed to the committee by Representative Addy.

Proponent Tom Monahan, representing the Public Service Commission, offered his support of House Bill 437.

Proponent Russ Brown, representing Northern Plains Resource Council, supplied written testimony which is attached hereto as Exhibit 6.

Proponent Jim Paine, representing the Montana Consumer Counsel, stated that it is healthy for communities to come before the Public Service Commission and not pass increases without their permission. The city governments are concerned with their citizens welfare, added Mr. Paine.

Business and Labor Committee  
February 7, 1985  
Page 5

Proponent Teri England, representing the Montana Public Interest Research Group, offered her support of House Bill 437.

Proponent Riley Johnson, representing the Montana Homebuilders' Association, stated that a percentage increase may occur along with a hookup increase.

Opponent Allen Hansen, representing the Montana League of Cities and Towns, stated that cities have suffered due to regulating their own utilities. A municipal utility could increase 12% per year, yet are averaging a 4.2% increase per year.

Opponent Nathan Tubergen, Finance Director, City of Great Falls, submitted written testimony which is attached hereto as Exhibit 7.

Opponent Bill Verwolf, representing the City of Helena, supplied testimony as shown on his witness statement attached hereto.

Opponent Alan Towlerton, representing the City of Billings, presented testimony as shown on his witness statement attached hereto.

Opponent Doug Daniels, representing the Cities of Belgrade and Three Forks and the Town of Manhattan, supplied written testimony which is attached hereto as Exhibit 8.

Opponents Greg Jackson, representing the Urban Coalition and Henry Hathaway, representing the City of Belgrade, extended their opposition to House Bill 437.

In closing, Representative Addy explained that this issue is not dealing with general control. If a utility asks for more than an 8% increase, they must justify this increase. With the change in the economy, an 8% increase is adequate.

Representative Schultz asked Mr. Paine if in the Lewistown area where a 24% increase has already been approved for next year, the effect on said increase. Mr. Paine explained that an application would have to be submitted to the Public Service Commission and if their needs are well defined, a problem should not exist.

There being no further discussion by proponents or opponents, all were excused by the chairman and the hearing on House Bill 437 was closed.

ACTION ON HOUSE BILL 387: Representative Hansen made a motion that House Bill 387 DO PASS. Representative Hansen moved the Statement of Intent. Second was received and House Bill 387 PASSED WITH STATEMENT OF INTENT by a unanimous vote.

ACTION ON HOUSE BILL 453: Representative Kitselman moved that House Bill 453 DO PASS. Representative Kitselman moved the proposed amendments and explained the same. The amendments to House Bill 453 DO PASS unanimously. House Bill 453 PASSED AS AMENDED, with all but Representative Glaser voting yes.

ACTION ON HOUSE BILL 602: Representative Brandewie made a motion that House Bill 602 DO PASS. Representative Brandewie moved and explained the amendments attached hereto as Exhibit 9. The amendments PASSED unanimously. House Bill 602 PASSED AS AMENDED by a unanimous vote.

ACTION ON HOUSE BILL 437: Representative Wallin moved that House Bill 437 DO NOT PASS. Representative Driscoll expressed his position in favor of the bill. Representatives Glaser and Simon supported the motion by Representative Wallin. Representative Schultz stated that small towns who put in their own water system, should be given the right to make their own determinations. Question being called, House Bill 437 DOES NOT PASS, with all but Representatives Driscoll, McCormick, and Nisbet voting yes.

ACTION ON HOUSE BILL 284: Representative Kitselman moved that House Bill 284 DO PASS. Representative Kitselman then moved and explained the proposed amendments that are attached hereto as Exhibit 10. Sue Mohr, representing the Department of Labor and Industry, further explained the proposed amendments. Questions were raised by Representatives Schultz, Wallin, Driscoll, Brandewie, Bachini, Glaser, Simon, and Kadas. Question being called, the amendments DO PASS by a vote of 11 to 9. Representative Driscoll made a substitute motion to Representative Kitselman's motion that lines 23 and 24, on page 13, be stricken. The motion did fail by a vote of 9 to 11. House Bill 284 PASSED AS AMENDED, with 13 members voting yes and 7 members voting no.

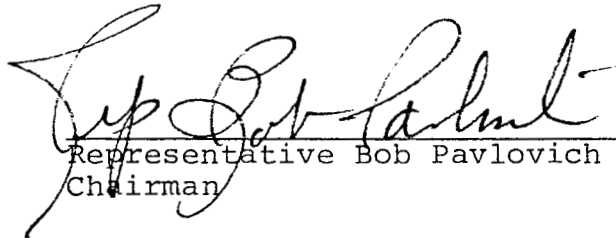
ACTION ON HOUSE BILL 391: Representative Brandewie made a motion that House Bill 391 DO NOT PASS. Representative Kitselman made a substitute motion that House Bill 391 BE TABLED. Representative Kitselman then withdrew his motion. Question being called, House Bill 391 DOES NOT PASS, by a vote of 13 to 7.



ACTION ON HOUSE BILL 648: Representative Kadas moved that House Bill 648 DO PASS. Representative Jones made a substitute motion that House Bill 648 DO NOT PASS. Representative Pavlovich expressed his concern of the 24 hour restaurants. Representative Jones' motion that House Bill 648 DO NOT PASS was carried with all but Representatives Kadas and Brown voting yes.

ACTION ON HOUSE BILL 338: Representative Jones explained the amendments that were proposed, removing the title plant requirement from the bill. Representative Bachini asked that action be delayed to allow him time to consult with interested parties.

ADJOURN: There being no further business before the committee, the meeting was adjourned at 11:00 a.m.



Representative Bob Pavlovich  
Chairman

# STANDING COMMITTEE REPORT

February 7 1925

Page 1 of 2

MR. SPEAKER

We, your committee on BUSINESS AND LABOR

having had under consideration HOUSE Bill No. 602

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## ARTIST-ART DEALER RELATIONSHIP

Respectfully report as follows: That HOUSE Bill No. 602

### BE AMENDED AS FOLLOWS:

- 1) Page 2, line 4  
Following: "lithograph,"  
Insert: "signed limited edition"
- 2) Page 2, line 5  
Following: "print,"  
Strike: "textiles,"
- 3) Page 2, line 6  
Following: "calligraphy,"  
Insert: "photographs, original works in ceramics, wood, metals,  
glass, plastic, wax, stone, or leather,"

~~EXHIBIT~~

MINUTES OF THE MEETING  
BUSINESS & INDUSTRY COMMITTEE  
MONTANA STATE SENATE

March 13, 1985

The thirty-seventh meeting of the Business & Industry Committee met on Wednesday, March 13 in Room 410 of the Capitol Building. Chairman Mike Halligan called the meeting to order at 10 a.m.

ROLL CALL: All committee members were present.

CONSIDERATION OF HOUSE BILL 602: Representative Harry Fritz, House District #56, Missoula, is the chief sponsor of this bill which defines the relationship between an artist and an art dealer, provides that a consignment relationship be created and provides that the dealer is a trustee and holds the artist's works and funds in trust. It also provides for notice of sales made to the artist. He explained it sets forth the terms of consignment and defines the artist and dealer business arrangements. It would define that a work of fine art is property held in trust by the consignee for the benefit of the consignor. The consignee is merely the holder of the art and not the owner of the work of art.

PROPONENTS: Janalyn Edmonson, a Missoula Attorney representing several artists there, submitted letters by Joan Jonkel, Barbara Hand, John Badgley and Mary Cummings in support of House Bill 602. (EXHIBIT 1) She stated the arts task force recommends that legislation be enacted regarding artist-art dealer relationships to ensure protection for the artist who consigns works of art. She feels this type of legislation would benefit those who consider art an essential element to the quality of life.

OPPONENTS: There were none.

Questions were then called for from the committee members. Senator Thayer wondered if we have any laws dealing with consignments now. He was told there is only what the uniform commercial code contains. Senator Halligan wanted clarification of whether an art dealer is one who is regularly engaged in selling artworks or just anyone who sells art. Janalyn Edmonson felt it was intended for those who make a business of selling art. Dave Nelson, Executive Director of the Montana Arts Council, explained they have a small problem with those who are just exhibiting art on a temporary basis and he felt a better definition should be addressed.

Senator Halligan wondered if it had been contemplated this would only protect the artist and Janalyn Edmonson explained this is just dealing with the original transaction. Senator Halligan thought this should perhaps be clarified.

Senator Gage wondered just what the purpose of the bill would be and Janalyn Edmonson explained it would help protect the artist's works from being attached should a gallery have financial difficulties so they would have some recourse. Senator Weeding wondered if this act would include works given for permanent display such as a museum. Janalyn Edmonson stated it should be clarified when art is just on exhibit and not for sale.

Representative Fritz then distributed a letter from the Museum of the Arts. (EXHIBIT 2) He explained he would submit an amendment to define when work is on exhibit or for sale to help clarify the act. The hearing was then closed on House Bill 602.

CONSIDERATION OF HOUSE BILL 360: Representative Joe Hammond, House District #52 of Alberton, explained his bill would increase from 3 to 15 days the notice period for termination of a mobile home space rental agreement upon the failure of a tenant to pay the rent when due. It just applies to those who own a mobile home and they are renting the lot they occupy in a mobile home court. He stated the 15 day time period was a much more reasonable time period to obtain help to get a trailer moved. He felt it was primarily for the low income people. It would not include campgrounds.

PROPONENTS: JoAnn Peterson, representing the Bozeman Housing Coalition, stated they are in support of this measure because it will allow those who rent mobile home space more time to obtain financial aid to assist with the moving of the mobile home. (EXHIBIT 3) She also noted that there had been many others who had submitted letters of support at the House hearing.

Dave Mann, Clinton, representing the Missoula Housing Coalition, supports this bill because it will remove some of the burdens that are required of a person financially when he has to move quite suddenly and come up with funds on very short notice. (EXHIBIT

Louise Kunz, of the Montana Low Income Coalition, feels it is a terrible hardship for low income people to come up with funds for moving in just three days time. (EXHIBIT 5)

Gary Rudolph, of Clinton, supports this bill because of personal experiences he has had trying to obtain financing to move and noted how difficult it is to get a mover to even move a mobile home in less than two weeks time. (EXHIBIT 6)

Al Rodriques, of Montana People's Action, feels people on low income need 30 days or more to be able to obtain financing necessary to move a mobile home.

OPPONENTS: A letter of opposition had been received from Mr. and Mrs. Chip Watts of Laurel. (EXHIBIT 7) A letter was also submitted by Jim Kennedy, from the Montana Landlord's Association. (EXHIBIT 8)

Questions were then called for from the committee. Senator Gage wondered who was responsible for the liability on a space when a renter has to move and was told the renter does until he has the trailer moved off the lot. Senator Fuller wondered what the average cost was to move a mobile home and was told usually not less than \$500 and can be much higher depending on the distance of the move. Senator Williams wondered if a person just does not move the home if the landlord can move the trailer off the lot and was told they can and sometimes do have to do this. He was concerned when the

notice period would start and was told it was three days after the rent was due. Senator Thayer wondered what the average cost was for lot rent and was told about \$125-150 per month. He then noted if people had trouble coming up with this amount, how much more difficult it must be for obtaining an even greater amount to move and Representative Hammond stated this was the whole problem. Senator Weeding wondered if the reason for giving notification to leave was for other reasons than nonpayment of rent and was told this bill only deals with the nonpayment of rent. Senator Goodover noted from the letter from Mr. and Mrs. Watts that it can sometimes take 5 to 6 weeks to get a trailer removed by the time you have gone to court and gone through all the procedures required. They felt this would extend the time even more. Representative Hammond felt most people were cooperative and would try and work things out before going to court and he was mainly trying to help those with low incomes to try and avoid court situations.

Senator Williams asked if a deposit was required and was told this practice varies. Senator Gage felt we were just giving these people in this situation another 12 days to come up with funding to be able to move. The hearing was closed on House Bill 360.

DISPOSITION OF SENATE BILL 208: Senator Halligan noted a change had to be made on the Statement of Intent for Senate Bill 208. Senator Fuller then MOVED TO CHANGE THE WORDING on the Statement of Intent. This motion carried. Senator Neuman then MOVED TO ADOPT THE STATEMENT OF INTENT AS AMENDED. (EXHIBIT 9) The motion carried.

DISPOSITION OF HOUSE BILL 359: Senator Christiaens MOVED THAT HOUSE BILL 359 BE CONCURRED IN. The motion carried. Senator Neuman will carry this bill on the Senate floor.

CONSIDERATION OF HOUSE BILL 468: Representative Kelly Addy, House District #94, Billings, is the chief sponsor of this bill which just revises the electronic funds transfer act by allowing cash withdrawals and account inquiries by customers from out-of-state financial institutions. It would allow you to be able to withdraw money from your account from another location other than your home bank. He stressed it is not a branch banking bill because it does not allow them to make a deposit to their account from another location. It would just make it easier to obtain funds if you happen to be away from your hometown.

PROPONENTS: Les Alke, representing the Montana Banker's Association, explained this bill merely legalizes what is presently transpiring now. (EXHIBIT 10) It would just help update the technological advances capable in banking today.

John Scully, representing the Independent Banker's Association, explained they have the network established to transact this type of operation but have not done so till they felt it was actually allowed by law. He helped draft the measure and was in full support.

OPPONENTS: There were none.

Questions were then called for. Senator Goodover wondered if any losses have occurred through these type of transfers and John Scully explained with the security measures they have adopted he feels the losses would be minimal. Senator Weeding wondered if you could use the card for more than one account and was told that three accounts was the limit.

DISPOSITION OF HOUSE BILL 468: Senator Christiaens then MOVED HOUSE BILL 468 BE CONCURRED IN. The motion carried. Senator Thayer will carry the bill on the Senate floor.

CONSIDERATION OF HOUSE BILL 338: Representative Kelly Addy, House District 94, Billings, is the sponsor of the bill which would generally revise the laws relating to title insurance and provide for the licensing and regulation of title insurance agents and for the regulation of controlled business in the title insurance industry. He further explained it deals with the licensing of title insurance agents. In the original draft they were going to require that title plants be certified but this was amended out. He noted the fiscal note prepared took into consideration the cost of maintaining title plants and since this had been removed the fiscal note was outdated. It would just assure that the agent was licensed and knowledgable when working with titles.

PROPONENTS: Gene Phillips, representing the Montana Land Title Association from Kalispell, explained this bill was drafted by their legislative committee and modeled after a uniform bill which has been adopted in other states. There have been some abuses in the past and this would allow the state auditor to license these agents and have some regulation over abuses. There were some amendments that had been proposed by the auditor's office and these had been overlooked and he stated these should be examined also.

Bill Gowan, President of the Montana Land Title Association, feels that title agents should be tested to see if they are really qualified. He submitted a letter from First American Title Insurance Company urging passage of this legislation. (EXHIBIT 11)

Warren Solberg, Kalispell, Chairman of the legislative committee for the Montana Land Title Association, feels that title insurance is very often misunderstood. The purchaser relies on the local agent to be knowledgable so therefore it is very important that this person be reliable. Currently there is no requirement that you have to have a license. There are 705 agents in the state and of these only about 100 are active. They would like everyone to take the test to see if they are indeed qualified. He noted there were amendments proposed by the insurance department and the land title association. (EXHIBIT 12 & 13)

Tanya Ask of the Montana Insurance Department of the State Auditor's Office, explained they support the amendments being proposed and would also like to delete the requirement that they assess a fee. She stated they already have the authority to charge \$10 for an examination and this is sufficient.

Brad Stratton, from the American Title Association of Bozeman, felt the underwriters who write for the insurance companies should also be knowledgeable and competent.

Testimony was also submitted by Robert Johnson in support. (EXHIBIT 14)

OPPONENTS: Teddi Annear, owner of a title insurance business in Bozeman appeared in opposition of the bill. She feels there is no need for this legislation because it would eliminate competition and interfere with free enterprise. She wondered if the examiners would be tested as well as the agents who would be preparing the test. She feels that the agents are pretty thoroughly checked currently before they are able to sell insurance. (EXHIBIT 15) She noted that with the amendments being proposed it would alter her position somewhat if they were to be adopted.

Questions were then called for. Senator Williams asked Representative Addy to respond to Ms. Annear's statements. He noted that the definition of title agents does not include examiners who act under the agent. He felt that if the title agent cannot get a license that those under him would not be able to be licensed either. The insurance commissioner would prepare the test which would just be a basic knowledge of insurance to insure some standards for the industry.

Senator Christiaens asked Tanya Ask what requirements they ask for now of title agents. She explained they have to have a certification from the underwriting company and also be tested for general insurance knowledge. The examination for title agents would be along this same line. She noted they had received complaints from consumers concerning title agents.

Senator Halligan wondered if the fiscal note was current with the amendments proposed and Dick Gilbert, from the auditor's office, suggested a revised fiscal note should be requested.

Senator Fuller asked if it should be "agency" rather than "agent" in the bill. He also asked Bill Gowan if there would be a grandfather clause and was told no. Senator Goodover asked how long it took to become qualified as an agent and Bill Gowan felt it took 5 to 6 years of on the job training.

Senator Christiaens asked about title plants and how many had these. Bill Gowan explained that some title plants are much more up to date than courthouse records. Representative Addy responded this was the reason they had title plants originally in the bill but it was felt by doing this it would create a monopoly for those owning title plants.

Senator Thayer asked Ms. Annear what her chief concern was about

the legislation being proposed and she stated she felt this bill would not do anything for the people.

Senator Weeding asked how often the license is good for when you can sell title insurance and was told the license is perpetual and is renewed annually.

Senator Goodover wondered how you keep a title plant current and was told most do a daily check with courthouse records in order to keep their records up to date. Bill Gowan stated oil companies utilize local title plants when doing title searches extensively. Teddi Annear noted that mistakes can be made even in a good title plant if a person does things hurriedly.

Representative Addy stated in closing that complaints usually end up in the insurance office only as a last resort effort. He feels that defects in investments are time bombs and the property owner stands to lose the most if a mistake is made. He felt the examination would eliminate those who were not qualified to sell. Hearing was closed on House Bill 338.

DISPOSITION OF HOUSE BILL 334: Mary McCue, Legislative Staff Attorney, explained in her research that the Department of Revenue could foresee problems in regulating rentals because of the variety of equipment available and they did not want to be involved policing this.

Senator Goodover then MOVED THAT HOUSE BILL BE CONCURRED IN. The motion carried. Senator Gage will carry the bill on the Senate floor.

DISPOSITION OF HOUSE BILL 360: Senator Halligan noted some of the problems involved for renters when they are evicted and the process that is involved in going to court. Senator Thayer felt there was some way to get compensation back to the trailer park owner for overdue rent. Senator Gage felt this bill just deals with giving the person another 12 days to come up with the funds necessary for moving the mobile home.

Senator Fuller then MOVED HOUSE BILL 360 BE CONCURRED IN. Senator Goodover felt that by the time a three day notice is given there have been problems over the weeks. On a roll call vote, the motion passed 7 to 2. Senator Thayer and Senator Goodover voted no.

The meeting was adjourned at 12 noon.

  
\_\_\_\_\_  
MIKE HALLIGAN, Chairman



JANALYN S. EDMONDSON  
Attorney at Law  
101 E. Broadway Room 414  
Missoula, Montana 59802  
(406) 721-5355

February 5, 1985

To: House Business and Labor Committee

Re: H.B. 602, Artist-Art Dealer Consignment Law

The proposed artist-gallery consignment law is a measure much needed for the protection of Montana's many working artists. The artist-gallery relationship is only rarely formalized by contract in this state, rather the usual practice is that most artists and their dealers operate on oral/handshake agreements, if any, as to their rights and responsibilities. Although many artists and galleries maintain good working relationships this way, some still do get into difficulties. Without protective legislation or a written contract, the artist is without much real recourse when problems arise.

This bill defines and regulates the consignment relationship, providing the basic protections necessary to prevent misuse of the proceeds of art at the hands of dealers, allocate responsibility for loss or damage, prevent seizure by gallery creditors, and allow artists to keep track of the ownership of their artworks.

The responsibilities outlined in the bill consist of no more than good business practices for the operation of gallery consignments. As art dealers are in the best position to protect against loss or damage during the period of consignment, the risk of such loss is allocated to them. What this really calls for is proper business insurance coverage by galleries, which should be carried in any event.

The fiduciary responsibility of galleries to their consignor-artists is carefully spelled out as a trust relationship. The requirement of timely payment of proceeds to the artists should serve to discourage dealers from using the funds for their own purposes, and if timely payments are not made, the artist has a remedy at law to pursue in addition to a cause of action for breach of contract, if indeed such a contract should exist between the parties. Where there is no written contract, this would provide the only sure protection.

The exemption of this act from the provisions of the Uniform Commercial Code is important to protect consignor-artists from seizure of their works by creditors of the galleries, because under Montana's commercial law as it now stands, artists must file financing statements on all consigned artworks in order to gain protection against gallery creditors. Many artists do not

even know of this practice, and for those that do, it is a burdensome requirement. Under this proposed act, artists would be automatically protected against third party seizure of their consigned artworks.

The provision voiding any waiver is necessary to prevent an artist from signing away the protections of the act, which could be very likely considering that most artists have much less bargaining power than the dealers in negotiating the terms of their agreements. Voiding waivers then assures protection for all under the act.

Finally, the provision requiring galleries to provide artists with the names and addresses of purchasers of their artworks is important so that artists may keep full and accurate records of the ownership of their artworks as part of the history of their work, and for later access for retrospective showings of their work. Without such a provision in the law, many gallery owners are reluctant to provide artists with such information.

The arts are very important to the quality of life in Montana, and we should be proud of the wealth of creativity at work within our state. H.B. 602 is an important first step in providing artists with important protections so that they may continue their valuable contributions to the cultural life and the economy of Montana.

  
JANALYN S. EDMONDSON

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February 5, 1985

Testimony in Support of House Bill 602

The Arts Task Force of the National Conference of State Legislatures recommended in its policy resolution on Public Support for the Arts that legislation on artist-art dealer relations be enacted by state legislatures. Such legislation provides protection to artists who give works of art to art dealers on consignment to sell or to exhibit by making the dealer a trustee in holding the art and the funds from sales, and by assisting artists in collecting the money to which they are entitled. Last year at a conference in New York of Volunteer Lawyers for the Arts, a national organization of volunteer attorneys committed to assisting the arts community, I learned that Volunteer Lawyers for the Arts also considers enactment of legislation such as House Bill 602 essential to the legal protection of artists.

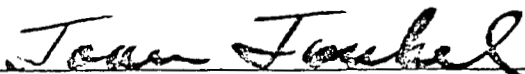
Montana should definitely join the group of states which has enacted such enlightened legislation. This law gives much needed help to artists, and yet does not adversely affect

reputable dealers. Working artists constantly experience problems in getting dealers to account accurately for work consigned to them and for proceeds from the sale of the artist's work. Art dealers experiencing financial difficulties may not inform artists of the sale of their works; the dealer will operate on the capital from the sale, and it may be months before the artist gets his or her money. Unless they have been sophisticated enough to comply with the Uniform Commercial Code filing requirements, artists may also lose their art or sale proceeds to dealers' creditors.

Without the benefit of this proposed legislation, artists are reluctant to take legal action against dealers. The trust and agency relationship created by the law will greatly increase the likelihood that dealers will make notice and payment to artists.

The arts are an essential element of the quality of life in this state, and a source of enjoyment for all. The Montana Legislature should give greater recognition to the creativity of artists and protect artists' rights through this most appropriate legislation.

Thank you for your consideration.

  
Joan Jonkel

MINUTES OF THE MEETING  
BUSINESS & INDUSTRY COMMITTEE  
MONTANA STATE SENATE

March 19, 1985

The forty-first meeting of the Business & Industry Committee met on March 19, 1985 in Room 325 of the Capitol Building at 10 a.m. The meeting was called to order by Chairman Mike Halligan.

ROLL CALL: All committee members were present.

CONSIDERATION OF HOUSE BILL 183: Representative Bob Ellerd, House District #77, Bozeman, is the chief sponsor of House Bill 183 which would require that a nonsmoking area be designated in each enclosed public place, remove the option of designating the entire area of a public place as a smoking area and increase the penalty for noncompliance. He distributed a handout showing the current law in the state of Montana regarding designated smoking areas in public buildings. (EXHIBIT 1) He stressed this measure is not against those who want to smoke or purchase cigarettes but just to make more desirable areas for nonsmokers in public places. He feels it is just a common sense bill and that people are entitled to a smoke free area. This bill would require posting of signs designating smoking areas in public places. He noted there has been legislation passed in other states which proves that it can be done and work very well. He is just trying to help out some people and still not infringe on the rights of others by his measure. He noted statistics show that 70% of the people are nonsmokers and this measure would help out that 70% who do not have clean air because of the 30% who do smoke.

PROPONENTS: Representative Bob Bachini, House District #14, Havre, testified on behalf of House Bill 183 and for the school children who were present for their health and future health.

Several schoolchildren from Jefferson School in Helena then spoke in support of the legislation: Barrett Adams, explained how the gases you breathe affects your lungs and ability to exercise. (EXHIBIT 2) Molly Cox, felt it was unfair for those who do not smoke to have to breathe smoke filled air. (EXHIBIT 3) Jonnie DeRosier, testified people do not realize how dangerous smoke is to one's health because it causes many diseases of the respiratory system. She noted they had asked a tobacco lobbyist to come to their classroom and respond to questions and he had failed to do so. She felt they were well informed on the issue. (EXHIBIT 4) Kyle Waterman, told of the damage the Charlie Russell paintings have suffered as a result of smoke damage. (EXHIBIT 5) Kerry Heffelfinger feels the bill should pass for the sake of the health of people who suffer from allergies. (EXHIBIT 6)

Chris Nicholson, stated he does not like second hand smoke.  
(EXHIBIT 7)

Testimony was also turned in from 32 Jefferson School students in support of House Bill 183. (EXHIBIT 8)

Rep. Ellerd told the committee that this was a choice on the student's part to prepare testimony and they were doing it as a project for the class.

Terry Odegard, a small business man in Helena and a private citizen of Helena, stated he feels that a nonsmoker has a right to a smoke free environment and still preserve the rights of a smoker. He urged support. (EXHIBIT 9)

Don Allen, representing the Montana Hospital Association, stated they support HB 183 because in their industry they have found it very helpful to designate smoking and non-smoking areas. He stated they have a commitment to treat people and to practice preventative medicine. They feel this is good legislation and urged support.

John Alke, representing Montana Physicians Service and Blue Shield, feels this measure is good for the people of the state.

Steve Brown, representing Blue Cross of Montana, feels it is a health bill which should be passed.

Rick O'Neill, Manager of a restaurant in Helena, stated in September 1983 they instituted a nonsmoking area in their establishment and have had very positive results.

Representative John Vincent, House District #80 in Bozeman, feels we should also take into consideration what other people feel about this type of legislation. He had taken a poll before the session began and found that 79% favored nonsmoking areas, 16% did not and 4% were undecided. He feels people should have a choice of having a smoke free area. He feels it would be good for business and for everyone to follow this policy. He stated his constituents were solidly behind this legislation.

Leonard Bates, President of Montana Society for Respiratory Therapy, and from Great Falls, supported the measure. He stated they care for a number of patients who can not go out in public and be in a smoke filled area. (EXHIBIT 10)

Dr. Don Espelin, a pediatrician and presently on the staff of environmental sciences for the state supported the legislation. He stated Robert Moon, health education consultant for the department of health also felt this legislation would be an appropriate amendment to the Montana Clean Indoor Air Act. He stated they also feel that passive smoking does affect one's health (EXHIBIT 11) He noted they have recently designated the Cogswell Building as all nonsmoking except for designated areas. He stated

he was a former smoker himself and how much he feels that smoking damaged his arteries and health. He also turned in an exhibit of just how smoking affects children especially in their first year of life. (EXHIBIT 12)

Ann Perkins, County Extension Agent in Lewis & Clark County, stated at a recent conference for 4-H members they had looked at this issue and urged complete support for this legislation. They feel they should have a right to a smoke free area.

Dan Conti, from the Missoula City County Health Department, spoke on behalf of the public and the benefits that can be derived from a smoke free environment and about the dangers of passive smoke. He stated he would like to see a modification of the act to require a no-smoking section in a room seating 7. He suggested changing it to read exempt those establishments seating 15 or less people or having less than 225 square feet of seating area. (EXHIBIT 13)

Earl Thomas, from the Montana Lung Association, quoted statistics on a study done on infants of families who smoke and the effects on their health. He also submitted letters from Mr. Hainline, President of 4-B's restaurants, Ed Ternes, Manager of Super 8 Motel and from employees of TW services in Yellowstone Park in support of the measure. (EXHIBIT 14)

Representative Hal Harper, House District #44, Helena, testified on behalf of this measure and for all those who are bothered by cigarette smoke. He cited an example of a new legislator who found she was very allergic to cigarette smoke after the session began. (A letter from Rep. Moore, House District 65, Condon, was received in support of the measure later that same day. EXHIBIT 15)

Doug Olson, an attorney from Helena stated he had assisted Polly Holmes when she began such legislation years ago to assure every Montanan of their right to a clean environment. He felt passive smoke was very dangerous. He feels this legislation is reasonable and fair. (EXHIBIT 16)

Ms. Dorothy Stevens, a past employee of the state, told of her experiences in her office and of the poor attitude toward the nonsmokers in the office.

Ann Krebill, private citizen from Missoula, questioned our free enterprise system and the regulations that are already imposed in different areas for the protection of our public health. She feels government has a responsibility to protect the citizens. She stated it is not the intent to deny the smoker his right to smoke but just to attempt to give an equitable right to the non-smoker by segregating public areas whenever possible. (EXHIBIT 17)

Eileen Robbins, a Montana Nurses Association representative and a private citizen who suffers from asthma feels it is extremely

unfair to have to breathe air that is contaminated by cigarette smoke. (EXHIBIT 18)

David Lackman, from the Montana Public Health Association, testified on behalf of HB 183 because of the increasing evidence that cigarette smoke is harmful to those with respiratory illness and especially to pregnant women. (EXHIBIT 19)

Letters were also submitted by Claire Cantrell, from the Lewis & Clark County Health Department, St. Peter's Community Hospital, Dr. Richard Paustian, M.D., Paul Donaldson, M.D., Falcon Press Editor Bill Schneider, and others supporting the legislation. (EXHIBIT 20)

**PROPOSERS:** Don Larson, owner of Jorgensons Lounge and Restaurant in Helena, feels it is a real challenge to be in business these days and keep up with all the restrictive burdens such as taxes, rules and regulations that the government imposes. He feels people inhale less smoke in his restaurant than they do just walking down the streets of Helena. He asked for the ability to manage his business without interference. (EXHIBIT 21)

Roland Pratt, Director of the Montana Restaurant Association, testified on the history of the bill and how it has now become a mandatory bill. He feels the technology available today does not allow the removal of smoke from any area completely. He felt it might lead someday to a total ban of cigarettes entirely except in your own private home or vehicle.

Tom Maddox, representing the Montana Association of Tobacco and Candy Distributors, showed the committee a list of those distributors who help pay cigarette tax which has then contributed to building Montana. He feels there is already a great deal of courtesy on the part of the smoker for the non-smoker in public areas now. He feels the present law with emphasis on volunteerism is a credit to our state and that this bill is anti-business legislation. He wondered how compliance would be enforced and stressed the burden that it would put on county attorneys. (EXHIBIT 22)

Jerome Anderson, representing the Tobacco Institute, feels we have restrictions on smoking in many areas already since the initiation of the Montana Indoor Clean Air Act. He stated this provides that areas be designated as nonsmoking and gives the proprietor the choice of the type of arrangement he desires. He feels this act would just increase the regulations imposed on private business. (EXHIBIT 23)

Dr. David Weeks, of Boise, Idaho, then testified against the legislation being proposed. He feels it will not contribute any great objective. He stated he has conducted independent reviews and studied surveys and has concluded that restricting smoking in public can not be justified on health grounds. (EXHIBIT 24)



Phil Strobe, a Helena attorney representing the Montana Inn-keepers Association, feels the bill does not do what the proponents want it to do and feels it is just a "sign painter's relief bill" because of the mandatory signs that would have to be installed if this were to pass. He feels the way the statute reads it says it is a crime not to designate the area for smoking or nonsmoking but there is no crime for setting in that area and smoking. There is no crime for the proprietor of the business if he does not enforce the law. He cited some of the problems he could foresee in meeting with compliance in some of the rooms of the capitol. He felt the existing law has been directed toward restaurants for the past few years. He could see enforcement problems and thought the \$100 fine was ridiculous.

Questions were then called for from committee members. Senator Williams urged the students present to realize that they do have a free choice now and perhaps someday they might want to smoke and should keep this in the back of their mind. He then asked Terry Odegard if by putting up the nonsmoking signs in his business had been harmful in any way to his business and Terry Odegard responded it had not.

Senator Christiaens asked Dr. Weeks to respond to reports that smoking causes constriction of the blood vessels. Dr. Weeks replied that the study shows constriction of coronary arteries under increased levels of carbon monoxide gas showed that cigarettes were contributory but it was not shown whether or not the increased level of carbon monoxide caused the restriction. He felt emotional stress was harmful also. Dr. Espelin was also asked to respond and he stated he felt cigarettes had caused much of his own personal health problems. Senator Christiaens then asked Dr. Weeks if it's true that asthma and respiratory ailments were diseases. Dr. Weeks said they do know that being in a smoke filled room can cause those with asthma to be very uncomfortable but just what exactly triggers the asthma attacks is a variety of factors. Senator Fuller thought if this were so that a person would be in danger just walking down the street or going in a restaurant.

Senator Fuller asked Rep. Ellerd how you would practically alleviate problems in some areas and he stated he felt that a compromise could be worked out in most cases.

Senator Gage noted that you can accomplish things with very few people involved and that laws do not always have to be passed in order to get results. He then asked Phil Strobe if most hotels comply with this rule now and Phil Strobe replied he felt most hotels comply with this rule but for the most part people ignore the signs. Phil Strobe also felt that if enforcement were to be complied with it would require several more FTE.

Senator Goodover felt it was a no-win situation. He felt we need to have the freedom to have a choice. He felt you can not pass a law that will satisfy everyone.

Senator Williams asked Rep. Ellerd if he felt there would be a change in our habits if this bill were to pass and Rep. Ellerd felt it would not change our habits. Senator Weeding wondered about the enforcement problems and Rep. Ellerd stated you just need to practice common sense. He stated that laws in other states are working very well.

Rep. Ellerd then closed the hearing by thanking those present who testified for their patience. He noted he had contacted only the Montana Lung Association to send a representative and the others present who testified were strictly voluntary. He noted this legislation had been started by Polly Holmes several years ago. He personally believes that smoking is bad for a person's health and that is the reason he supports this measure.

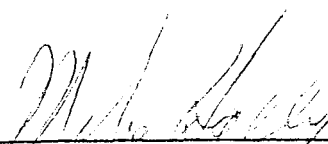
DISPOSITION OF HOUSE BILL 602: Chairman Halligan noted there had been a question of putting in the word "regularly" engaged in selling art and after some discussion with others he felt this word should be removed. Senator Williams MADE A MOTION TO REMOVE THE WORD REGULARLY ON HOUSE BILL 602. The motion carried. (EXHIBIT 24)

Senator Christiaens then MOVED TO ADOPT HOUSE BILL 602 AS AMENDED. The motion carried.

CONSIDERATION OF HOUSE BILL 707: Mr. Geoffrey Brazier, Attorney for the licensing bureau was present for questions from the committee concerning this bill. Senator Gage was concerned about the term habit and intemperance in the bill and felt this was pretty broad language. Geoffrey Brazier stated this was historical language that is in other boards but he too felt it was broad and had caused some problems. Senator Gage then MOVED THAT THE LANGUAGE BE STRUCK REGARDING HABIT AND INTEMPERANCE. The motion carried.

Senator Thayer then MOVED TO ADOPT THE AMENDMENT PROPOSED REGARDING BOUNDARIES FOR PLUMBERS. There was some discussion of whether or not farm buildings were exempt. Geoffrey Brazier felt there was an effort to recognize that farm and ranch properties were exempt. There was still some question as to whether or not you would be included if you lived on the edge of a town but were hooked to city water and sewer. Chairman Halligan asked Senator Gage to talk more with Geoffrey Brazier and then get back to the committee before final disposition is made.

The meeting was adjourned at noon.

  
SEN. MIKE HALLIGAN, CHAIRMAN

HB 602

EXHIBIT 25  
BUSINESS & INDUSTRY  
March 19, 1985

1. Page 1, line 16.  
Following: "person"  
Insert: "regularly"

- 2.1. Page 2, line ~~17~~ 18.

Following: "exhibition"  
Strike: "or"  
Insert: "and"

- 2.2. Page 2, line 19.

Following: "sale"  
Strike: ", or both, "

# STANDING COMMITTEE REPORT

MARCH 19

19 85

MR. PRESIDENT

## BUSINESS & INDUSTRY

We, your committee on

having had under consideration

HOUSE BILL

602

No.

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## ARTIST-ART DEALER RELATIONSHIP (Halligan)

Respectfully report as follows: That

HOUSE BILL

602

No.

be amended as follows:

1. Page 2, line 18.

Following: "exhibition"

Strike: "or"

Insert: "and"

2. Page 2, line 19.

Following: "sale"

Strike: ", or both,"

AND AS AMENDED

BE CONCURRED IN

NOT PASS

DO NOT PASS

Sen. Mike Halligan

Chairman.